

# Department of Health and Family Services

## Division of Health Care Financing

### Medicaid Managed Care Programs

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- ◆ Wisconsin Medicaid is a national leader in the use of managed care:
  - ✓ Innovative use of managed care for special populations (elderly and persons with physical disabilities, mental illness, and developmental disabilities).
  - ✓ Rigorous oversight of Health Maintenance Organizations (HMOs) and specialized managed care programs, including access and quality assurance requirements, comprehensive utilization reporting, performance audits, and recipient safeguards. Specific performance expectations are based on Public Health Agenda objectives.
  - ✓ Community involvement through statewide Managed Care Advisory meetings with stakeholders such as HMO executives, recipient advocates and local officials.
- ◆ The Bureau of Managed Health Care Programs (BMHCP) operates a Medicaid HMO program for low-income families with children, the BadgerCare (Wisconsin's State Children's Health Insurance Program or SCHIP) HMO program, and three specialized managed care programs to meet the needs of special populations. The Center for Delivery Systems Development (CDSO) in the Division of Disability and Elder Services operates three specialized managed care programs for the frail elderly and people with physical disabilities with assistance from the Division of Health Care Financing on quality improvement and systems functions:

Low-income Family Medicaid HMO	BadgerCare HMO
<ul style="list-style-type: none"> <li>✓ 13 HMOs serving 66 counties in 2004.</li> <li>✓ 278,750 enrollees as of May 2004.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Same as low-income family Medicaid HMO.</li> <li>✓ 79,553 enrollees as of May 2004.</li> </ul>
Specialized Managed Care Programs	
<p style="text-align: center;"><u>BMHCP operates</u></p> <ul style="list-style-type: none"> <li>✓ Independent Care Health Plan (iCare)</li> <li>✓ Children Come First (CCF)</li> <li>✓ Wraparound Milwaukee (WM)</li> </ul> <p style="text-align: center;"><u>CDSO operates</u></p> <ul style="list-style-type: none"> <li>✓ Program of All Inclusive Care for the Elderly (PACE)</li> <li>✓ Wisconsin Partnership Program (WPP)</li> <li>✓ Family Care (FC)</li> </ul>	
<p>For a detailed overview of the low-income family Medicaid HMO, BadgerCare HMO and Specialized Managed Care Programs operated by BMHCP, refer to the Wisconsin Division of Health Care Financing Medicaid Managed Care Programs Overview table. For information on the PACE and Partnership programs, see the Web site <a href="http://dhfs.wisconsin.gov/WIpartnership">http://dhfs.wisconsin.gov/WIpartnership</a>. For information on the Family Care program, see the Web site <a href="http://dhfs.wisconsin.gov/LTCare">http://dhfs.wisconsin.gov/LTCare</a>.</p>	

- ◆ BMHCP's long-range managed care strategy is as follows:
  - ✓ Expansion of managed care for SSI-eligible adults with disabilities.
  - ✓ Implement health care delivery system for children in out of home care.

## Wisconsin Division of Health Care Financing Medicaid Managed Care Programs Overview

Program Characteristics	Low-Income Family Medicaid HMO	BadgerCare HMO	Supplemental Security Income (SSI) Managed Care	Children Come First (CCF)	Wraparound Milwaukee (WM)
<b>Date of Implementation</b>	1977 (expansions in 1984 and 1995; and statewide expansion in 1996).	July 1, 1999	July 1, 1994, Independent Care Health Plan (iCare)	April 1993	March 1997
<b>Program sites</b>	All counties, excluding Door, Florence, Marinette, Kewaunee, Columbia and Iowa.	Beginning in April 2000, counties are the same as the low-income family Medicaid HMO program.	Milwaukee County	Dane County	Milwaukee County
<b>Program description and approach to managing care</b>	Recipients are assigned to and receive all care and services through a contracted HMO. HMOs are responsible for providing directly or contracting for covered services to the enrolled population.	Eligibles are assigned to and receive all care and services through a contracted HMO. The HMO is responsible for providing directly or contracting for covered services to its enrolled population.	Care coordinators and a network of providers coordinate medical and social services for SSI disabled Medicaid recipients.	Multi-agency, community-based system of mental health and alcohol and other drug abuse (MH/AODA) services for children with severe emotional disturbances (SED).	Same as CCF
<b>Program goals</b>	Improve quality of care through better access to and continuity of medical care. Reduce costs through better management and reducing inappropriate care.	Provide a bridge for health care between Medicaid and employer-sponsored health insurance for low-income uninsured families.	Integrate medical and social services and improve quality, access, and coordination of medical services. Reallocate resources for disabled recipients.	Keeps children with SED out of institutions. Reallocates resources previously used for institutionalization to community based services for children with SED.	Same as CCF
<b>Authority and funding source</b>	State Medicaid agency and a state plan amendment.	State Medicaid agency, 1115 Medicaid and SCHIP waivers, and a Title XXI state plan amendment.	Initially a three-year research and demonstration grant from the Centers for Medicare & Medicaid Services (CMS). Authorized by CMS as sole source contract.	Initially an RWJ Foundation grant. Currently joint funded by DHFS and Dane County Department of Human Services (DCDHS). Authorized by CMS as sole source contract.	Initially a five-year CMHS grant. Now continued through joint funding by DHFS and Milwaukee County DHS. Authorized by CMS as sole source contract.

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<b>Type of enrollment (voluntary or mandatory)</b>	Voluntary for eligible recipients in zip codes with one participating HMO and mandatory for eligible recipients in zip codes with two or more participating HMOs. Recipient may obtain an exemption if criteria are met.	Same as low-income family Medicaid HMO program.	Voluntary. Recipients are selected at random to receive informing packet.	Voluntary	Voluntary
<b>Eligible population</b>	Low-income family Medicaid HMO recipients residing in zip codes with one or more participating HMOs. Dual eligibles are excluded. Exemption criteria exist. Healthy Start is a program for pregnant women and children whose family income is under 185% of the poverty level.	Low-income uninsured families up to 185% of the federal poverty level (FPL). Once enrolled, families may remain in BadgerCare until family income exceeds 200% of the FPL.	SSI disabled recipients who may be dually eligible for Medicare and Medicaid, reside in Milwaukee County and do not live in an institution or nursing home or participate in other managed care or waiver programs (e.g., CIP, COP, CSP).	Child or adolescent Medicaid recipient and must have SED as defined in HSS 107.32, Wis. Admin. Code, and be at imminent risk of institutional admission to a psychiatric hospital, placement in a child caring institution, or juvenile correction facility.	Same as CCF
<b>Recipient age requirement</b>	No age restrictions.	No age restriction for parents, but their children must be under age 19.	Age 18 and older	Birth through age 18.	Birth through age 18.
<b>Contracting entity</b>	HMOs who are licensed by the WI Office of the Commissioner of Insurance. The HMO must also meet Medicaid's additional standards for quality assurance, cultural sensitivity, enrollment capacity and coordination of care.	Same as low-income family Medicaid HMO program.	MCO licensed by the Wisconsin Office of the Commissioner of Insurance. The MCO must also meet Medicaid's additional standards (for quality assurance, cultural sensitivity, enrollment capacity and coordination of care).	Dane County DHS	Milwaukee County DHS
<b>Risk-sharing arrangement and capitation rates</b>	No risk sharing. Full capitation for all medical services covered by Medicaid except prenatal care coordination and common carrier transportation.  The CY 2004 capitation rates for low-income family Medicaid are based on nine age/gender rate cells. The rates are specific to and vary between nine rate regions and five counties. The rates also vary based on the benefit mix (dental and chiropractic	The risk-sharing program was terminated on July 1, 2001. Risk sharing was formerly available to HMOs that chose to participate in a risk-sharing program.  The CY 2004 BadgerCare capitation rates are based on 10 age/gender rate cells. The rates also vary based on the benefit mix (dental and chiropractic services) offered by the HMO. The rates are specific to and vary between	No risk sharing. State pays a capitation rate based on the Medicaid fee-for-service (FFS) costs per member month.  For CY 2004, capitation rates are established based on medical status code groupings (MS 21 or other SSI), Medicare coverage (dually eligible or MA only) and eight actuarially determined age/gender cells. This results in 32 individual rates providing continuous case mix adjustment through the monthly claims.	No risk sharing. Dane County DHS also provides payment to cover the non-Medicaid services.  The 2004 Medicaid capitation rate is \$1,539.85 PMPM for the period ending June 30, 2004.	No risk sharing. Milwaukee County DHS also provides payment to cover the non-Medicaid services.  The 2004 Medicaid capitation rate is \$1,557.00 PMPM.

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	services) offered by the HMO. A single aggregate capitation rate is paid for Healthy Start Pregnant Women. The CY 2004 rate varies based on the same rate region and county configuration used for the low-income family Medicaid population.	the same rate region and county configuration used for low-income family Medicaid enrollees.			
<b>Payment arrangements for other providers</b>	Fully capitated for all specialty and ancillary medical services covered by the Medicaid program.	Same as low-income family Medicaid HMO program.	Fully capitated for all specialty and ancillary medical services covered by the Medicaid program.	Through contracted arrangements with Dane County for MH services. FFS payments for all other necessary medical services.	Through contracted arrangements with Milwaukee County for MH services. FFS payments for all other necessary medical services.
<b>Case Manager (CM) responsibility</b>	HMO must have system in place to ensure well managed patient care through assignment of a primary care provider (PCP) or other means, referrals for specialty care, and 24-hour urgent or emergency care.	Same as low-income family Medicaid HMO program.	Care coordinator assigned to each member. Care coordinators conduct needs assessment and develop care plan within 60 days of enrollment and help member select PCP. Care plan includes coordination with social services.	Dane County is responsible for the operational administration of the program and subcontracts for all necessary MH/AODA services at whatever level of intensity required by the recipient, i.e., inpatient hospital, emergency care, outpatient therapy, residential treatment, therapeutic foster care, and case aide and in-home treatment services. Key service components are clinical case management, crisis services, intensive day treatment and school-based MH services.	Milwaukee County is responsible for the operational administration of the program and subcontracts for all necessary MH/AODA services at whatever level of intensity required by the recipient, i.e., inpatient hospital, emergency care, outpatient therapy, residential treatment, therapeutic foster care, and case aide and in-home treatment services. Key service components are clinical case management, crisis services, intensive day treatment and school-based MH services.

Program Characteristics	Low-Income Family Medicaid HMO	BadgerCare HMO	Supplemental Security Income (SSI) Managed Care	Children Come First (CCF)	Wraparound Milwaukee (WM)
<b>Enrollee incentives</b>	No copays. Expansion of services beyond those offered in the FFS system.	Affordable comprehensive benefit package.	No copays. Care coordinator available 24 hours. Expansion of services beyond those offered in FFS system.  Transportation arranged and paid for directly by the MCO.	No copays. Expansion of services beyond those offered in FFS system. Allows client to stay at home.	Same as CCF
<b>Enrollee participation</b>	Enrollee must obtain services through HMO providers.	Enrollee must obtain services through HMO providers.	Enrollees are assessed and care plan developed within 60 days of enrollment. They must obtain services through iCare's provider network.	Enrollees' families are part of a child and family treatment team that determines the needed services and supports.	Same as CCF
<b>Covered services</b>	HMO must cover all services that would be covered under Medicaid FFS.	HMO must cover all services that would be covered under Medicaid FFS.	Traditional Medicaid FFS coverage. Also covers costs of social, recreational activities, and wellness programs.	All necessary MH and AODA services including those not traditionally covered under Medicaid.	Same as CCF
<b>Excluded services</b>	All services excluded by Medicaid program. HMO may elect not to cover dental and chiropractic services.  Targeted Case Management is excluded.	Same as low-income family Medicaid HMO program.	All services excluded by Medicaid program. Services such as TCM, Chiro and Crisis Intervention are covered under Medicaid FFS.	Physical Medical Services are covered through FFS.	Same as CCF
<b>Current status</b>	278,750 enrollees in May 2004.	79,553 enrollees in May 2004.	6,117 enrollees in May 2004.	123 enrollees in May 2004, funded by Medicaid.	510 enrollees in May 2004, funded by Medicaid.
<b>Plans for expansion</b>			Expansion of SSI managed care to counties where MCOs meet certification requirements in 2004.		
<b>Program monitoring</b>	HMOs must submit encounter data. Program and medical audits are conducted by the DHCF.  Annual consumer satisfaction survey.	Same as low-income family Medicaid HMO program.	MCOs must submit encounter data. Program and medical audits are conducted by DHCF.  The Human Services Research Institute (HSRI) of Massachusetts completed evaluation of the program in April 1998.  The program conducts an annual consumer satisfactory survey.	Programs must submit utilization and outcome data.  Quality assurance audits are conducted annually by DHCF.	Programs must submit utilization and outcome data.  Quality assurance audits are conducted annually by DHCF.